Implementation guidelines of PMEGP could be issued in September 2008 after obtaining approval of the competent authority in August 2008. Preliminary activities of implementation like publicity, workshops, distribution of targets, etc. took some time as it involved coordination by Khadi and Village Industries Commission (KVIC) with State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) of State Governments and about 850 nodal branches as well as 12000 financing bank branches spread across the country. Imposition of model code conduct of General Elections, elections in six States in 2008, and delay in constitution of District Level Task Force (DLTF) by concerned State Governments also resulted in less availability of time for actual implementation of the programme.

Despite the constraints in implementation of PMEGP mentioned above, a total of 36,281 projects could be got sanctioned by banks and loans could actually be disbursed in 25507 cases in 2008-09 for creation of estimated employment opportunities for 2.55 lakh persons.

For improved implementation of PMEGP and achieving the targets during 2009-10, all Chief Ministers have been requested to instruct the State implementing agencies, namely, DICs, KVIBs and Banks to put in more concerted efforts in improving the performance of PMEGP. Regular review meetings are also being undertaken by National Level Monitoring Committee, KVIC and others including communication of district level targets well in advance by KVIC, etc. Project profiles of more than 300 model projects have been made available in the websites namely www.kvic.org.in and www.pmegp.in and around 515 training centres across the country have been accredited by KVIC for imparting EDP training to the PMEGP beneficiaries for facilitating the offtake of bank finance with margin money subsidy.

(d) The Government in the Ministry of Micro, Small and Medium Enterprises has not noticed any significant expansion plan of Indian companies launched recently to ramp up capacities in the segment of man-made fibre production. Moreover, as per the records of Ministry of Textiles, Government of India, the installed capacity of man-made fibre industry during 2007-08 was 1659 Mn.Kg. and the same increased to 1763 Mn. Kg as in September 2009.

Dedicated units of KVIC

2563. SHRIMATI SYEDA ANWARA TAIMUR:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether there are dedicated units whose entire range of products are procured by Khadi and Village Industries Commission;

(b) if so, whether such units have adequate access to institutional finance on subsidized rate of interest; and

(c) the value of the products purchased by KVIC during 2008?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) Khadi and Village Industries Commission (KVIC) facilitates the marketing of the products produced by the khadi and village industry (KVI) institutions enlisted with KVIC and State Khadi and Village Industries Boards (KVIBs). KVIC operates 12 Department Bhawans/salcs outlets, which are located in metropolitan cities and some other urban areas which are important links between the rural artisans producing a variety of products and the consumers living in urban areas in a regular way by making available the exclusive KVI items for all age groups of customers under one roof. The departmentally managed sales outlets secured the ISO 9001:2000 Certification for best management practices.

(b) Institutions registered with KVIC and State KVIBs are entitled to avail capital expenditure as well as working capital loan from banks at subsidized rate of interest of 4 per cent per annum under the Interest Subsidy Eligibility Certificate (ISEC) scheme of KVIC. The difference between the actual lending rate and 4 per cent is borne by the KVIC.

As far as village industries sector is concerned, Prime Minister's Employment Generation Programme (PMEGP) has been introduced in 2008-09 under which margin money subsidy is provided for setting up of micro-enterprises costing upto Rs. 10 lakh in service sector and Rs. 25 lakh in manufacturing sector. The margin money subsidy provided under PMEGP is 25 per cent (35 per cent for weaker sections) of the project cost for rural areas while it is 15 per cent (25 per cent for weaker sections) for urban areas.

(c) There is no centralized system of purchasing the items. As stated above, KVIC operates 12 Departmental Bhawans/sales outlets that procure saleable items from the producing KVI institutions/units as per the requirement and saleability of the products and the procurement price of the KVI items varies from State to State, depending upon the cost of materials, transportation as well as other overhead costs. The sales turnover of these departmental sales outlets during 2008-09 was Rs. 49.13 crore.

Sick units of MSMEs

†2564. SHRI PRABHAT JHA:
SHRI KAPTAN SINGH SOLANKI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government is aware that the number of sick units in small and medium industries of the country are increasing continuously;

(b) if so, the details thereof;

(c) whether Government has taken any steps to make small and medium sick industrial units in the country profitable; and

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†Original notice of the question was received in Hindi.